

ملتزمون بحياة أكثر صحة  
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**Agthia Group PJSC**

**H1 2019**

**Analyst & Investor Earnings Call**

**Abu Dhabi, 7 August 2019**

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# KEY HIGHLIGHTS

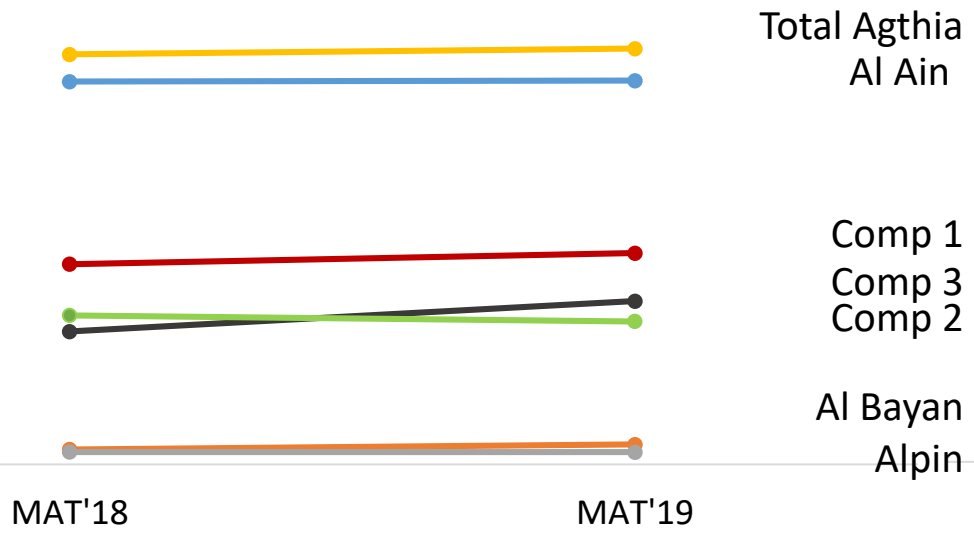
- **Resilient revenue growth (+5.4% y-o-y)**; driven by Food, International Ops and Flour
  - **Food segment** (+30% y-o-y), lifted by Community Support Division and Egypt
  - **Saudi operations** (+39% y-o-y), becoming a stable contributor
  - **Flour Revenues** (+12% y-o-y), on wheat sales and share gains in retail
  - **HOD – UAE revenues** (+7% y-o-y), on customer acquisitions
- **Bottled Water** portfolio in the UAE retained market leadership position in both volume and value share
- **Group profit of AED 84m-** geographical expansion, higher agri-pricing and cost savings noticeably reducing the impact of lower water pricing, flour subsidy withdrawal in Bakeries and higher commodity prices



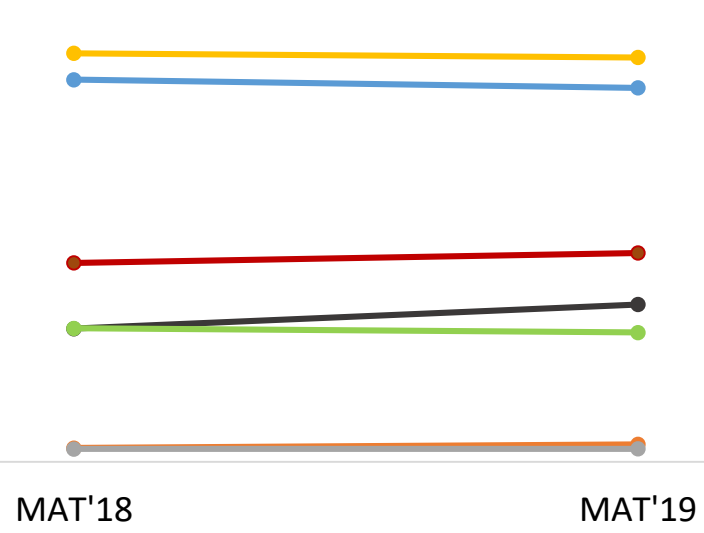
# BOTTLED WATER MARKET SHARES<sup>1</sup>

Agthia's leading position in the UAE persists

Volume share %



Value share %



- **Durable market share- total Agthia**, 30.2% volume and 27.7% value (MAT'19)
- **Al Ain Water** shields its leadership position, 27.9% volume and 25.6% value (MAT'19)



# WATER | SHIPPED VOLUMES

## International operations rally

Shipped volume	H1 2019	y/y
<i>HOD* (million bottles)</i>	12.5	+9.1%

### *Bottled Water (million cases)*

<b>UAE</b>	<b>28.3</b>	<b>-1.0%</b>
KSA	7.4	+70.2%
Kuwait	2.6	nm
Turkey	0.8	-1.4%
<b>Total International Ops</b>	<b>10.8</b>	<b>+108.7%</b>
<b>Total Bottled Water</b>	<b>39.1</b>	<b>+15.8%</b>

*\*HOD including Al Bayan, Ice Crystal and 5 Gallon Al Ain*

- **HOD** volume growth continues
- **UAE bottled water** almost flat
- **International operations** outperform
- Thriving distribution network in **KSA**
- Ramp up in execution in **Kuwait**



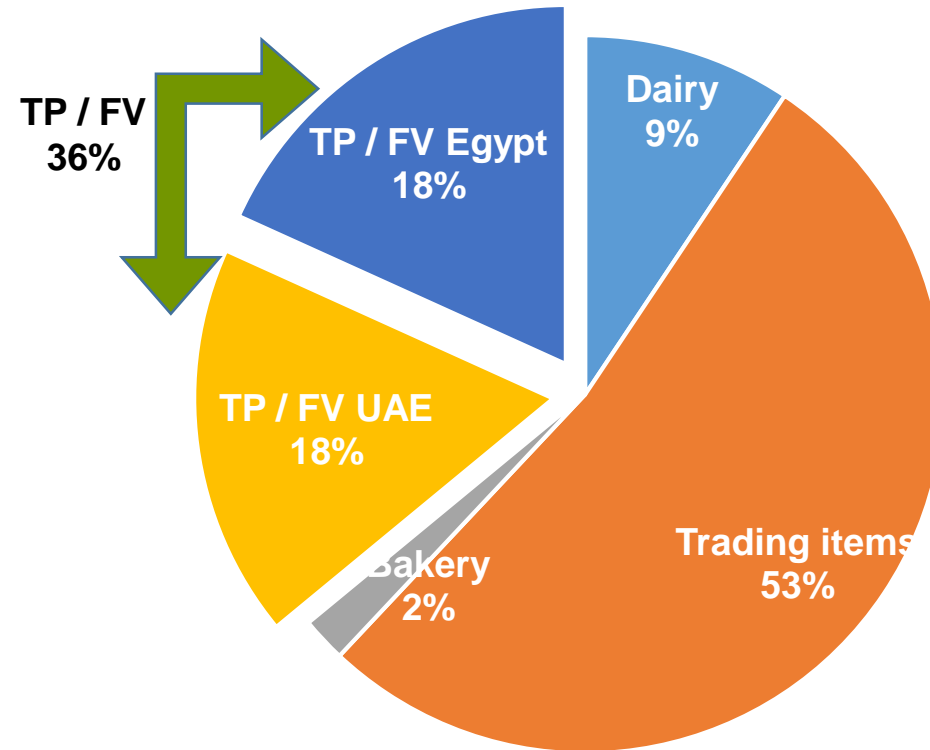
# FOOD

## Trading items drive top-line growth

AED M	H1 2019	H1 2018	y/y
Segment Revenues	135.9	104.8	29.6%
Segment Profit	4.8	4.5	7.8%

- **Trading Items:** 53% of segment
  - Revenues +71% y/y
- **TP/FV incl. Egypt ops.:** 36% of segment
  - Revenues +6% y/y
  - Net profits +17% y/y
  - **Egypt:** Rev. +18%
- **Dairy:** 9% of segment
  - Volumes +6% y/y
  - Lower incurred losses on cost optimization

Revenue contribution as of H1 2019



# AGRI

## Feed and Flour price increase partly offset flour subsidy removal & higher commodity prices

### Segment Revenues:

**FLOUR**  
**AED 206 million**  
**+11.8%**

- + Robust volumes with expanded domestic retail penetration & exports
- + Higher pricing partially countering higher wheat costs and full subsidy removal in bakeries
- + Wheat trading
- Full subsidy withdrawal from Bakery channel
- Higher wheat costs

**FEED**  
**AED 260 million**  
**-7.3%**

- + Favourable mix- tilted towards subsidized channel
- + Better pricing partially countering higher grain costs
- Lower volume due to reduced demand from small-sized farms
- Lower grain trading





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# FINANCIAL PERFORMANCE





# GROUP REVENUE

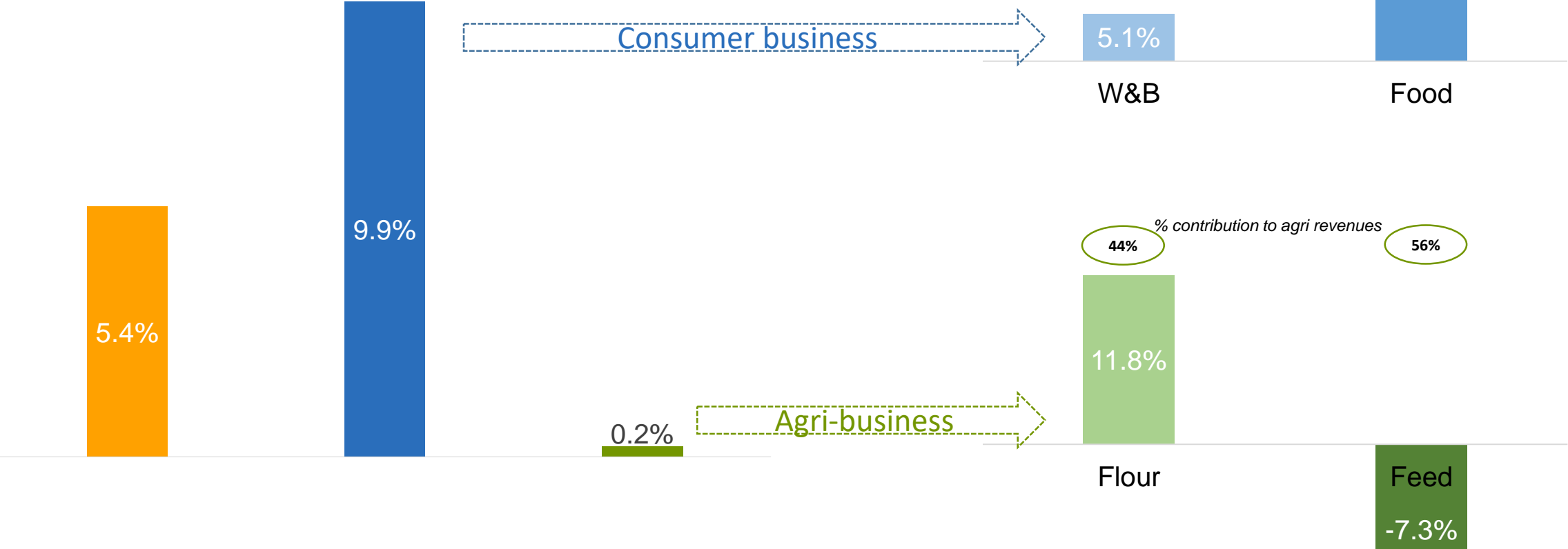
Resilient top-line growth

AED 1.06 B = AED 597 M + AED 465 M

Agthia

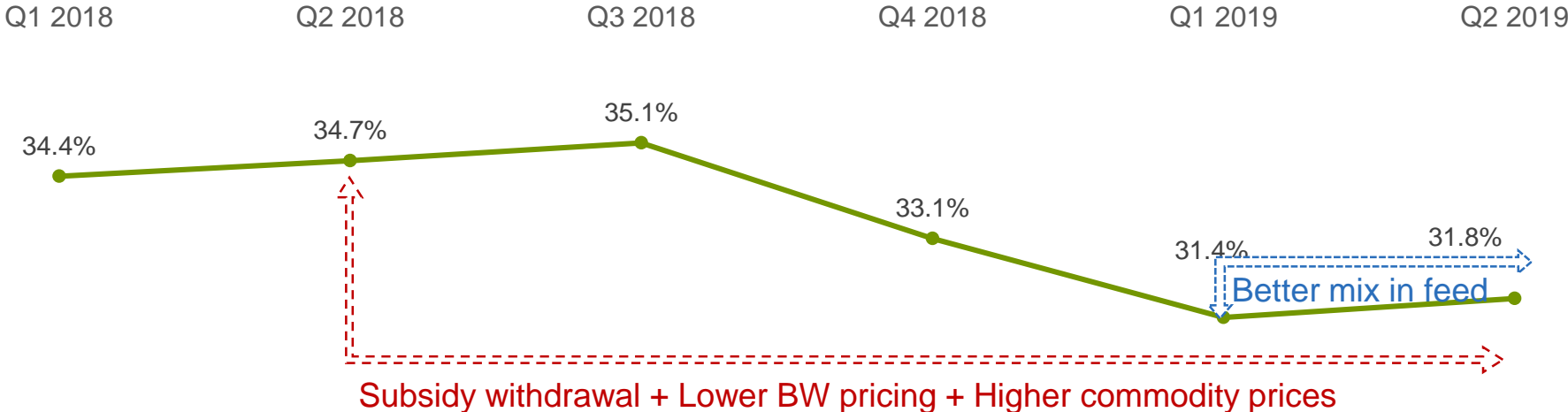
Consumer

Agri



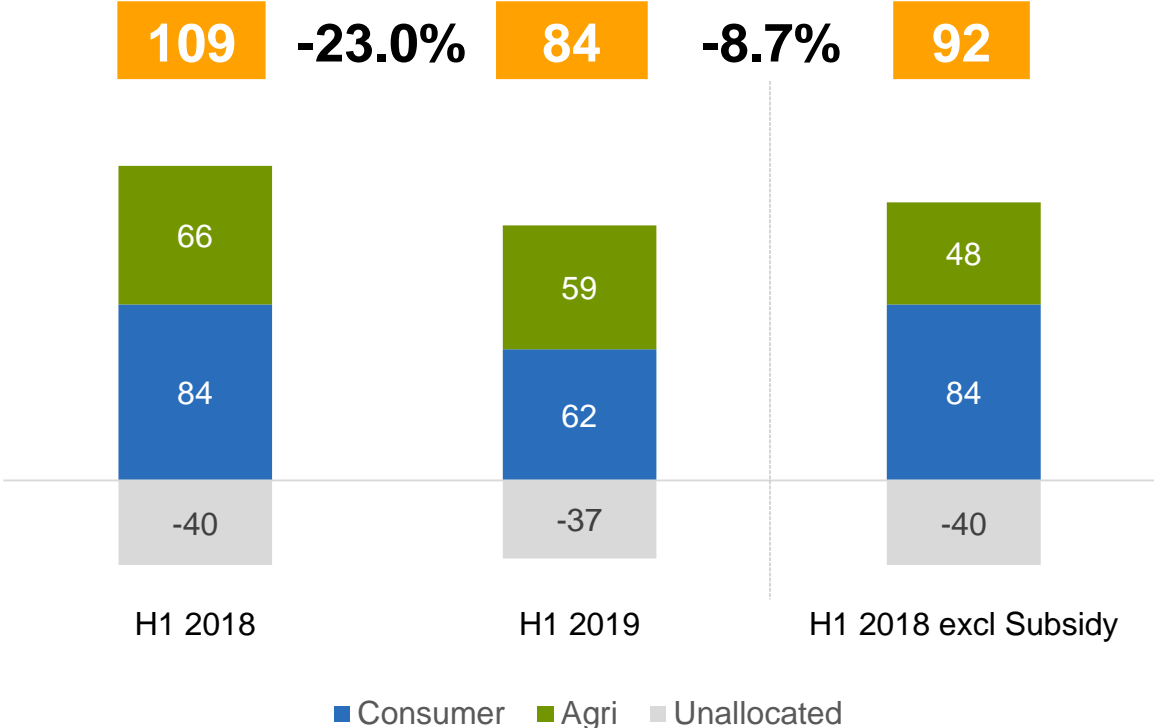
# GROSS PROFIT MARGIN

## Group Gross profit margins (%)



# GROUP NET PROFIT

Group net profits (AED M)



- Defending market share despite highly competitive environment
- Expanding geographical front
- Increasing agri-pricing to partially counter raw materials cost hike and flour subsidy withdrawal from Bakery channel
- Carrying on with cost optimization

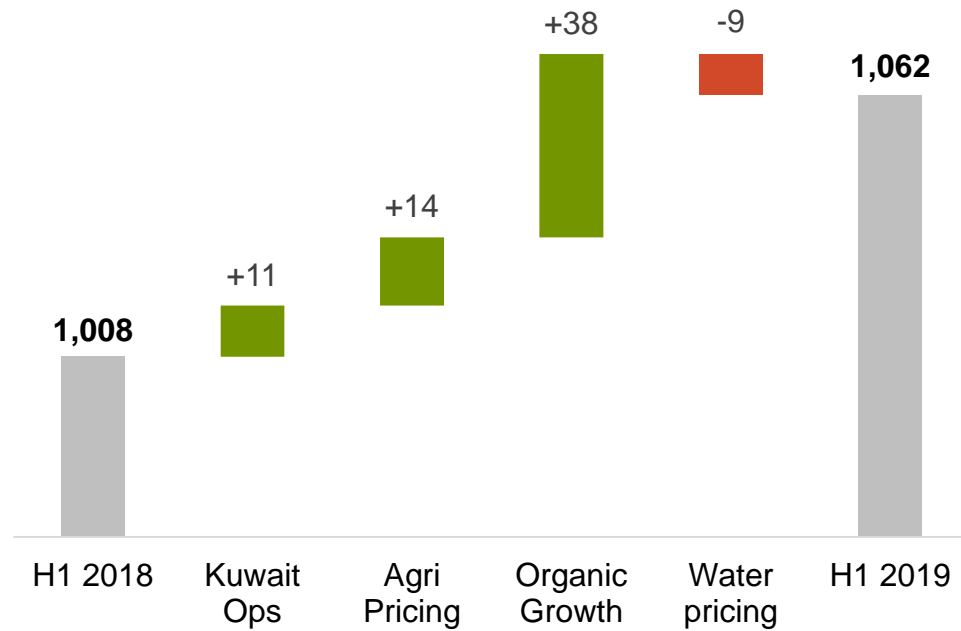
**=> Net profit shortfall noticeably reduced**

<sup>1</sup> Unallocated = Head Office charges

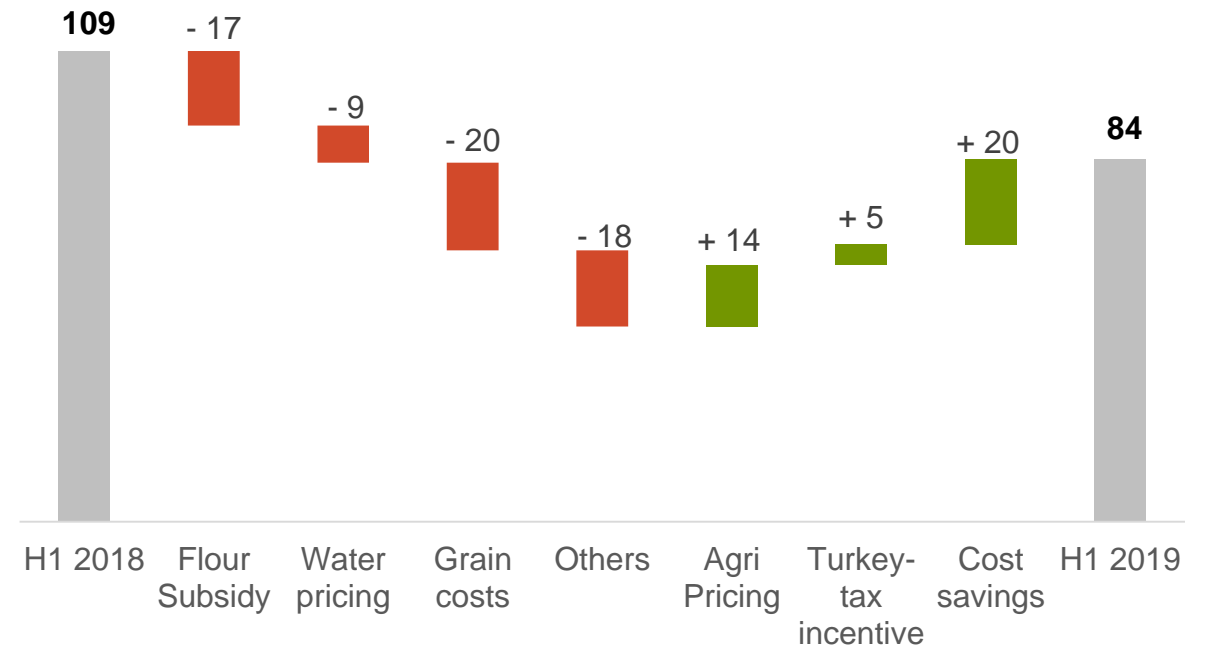


# TOP AND BOTTOM LINE RECONCILIATION

## Group revenues (AED M)



## Group net profits (AED M)





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## Q&A

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